

REQUIREMENTS FOR RISK RETENTION GROUPS

The State of Utah, in accordance with the Risk Retention Act of 1986 (the Act), requires that Risk Retention Groups wishing to operate in Utah provide the following detailed information:

LICENSING OF AGENTS AND BROKERS

All parties wishing to act as a produce or broker for a Risk Retention Group must obtain a Utah producer license.

AGENT AS SERVICE OF PROCESS

The Insurance Commissioner of the State of Utah, or his successors, shall be made an agent of the Risk Retention Group solely for the purpose of receiving service of legal documents or process.

UNFAIR CLAIMS PRACTICES AND DECEPTIVE ACTS

Each Risk Retention Group is required to comply with the statutes and rules of Utah pertaining to unfair claims practices and deceptive acts.

PREMIUM TAXES

Premium taxes are to be paid on a retaliatory basis to the State of Utah Tax Commission on premiums collected on risks located in Utah.

PLAN OF OPERATIONS/FEASIBILITY STUDY

All Risk Retention Groups are requires to submit a Plan of Operations/Feasibility Study. The study must include, but not necessarily be limited to, the following items:

1. The coverages, coverage limits, etc. for each ling of liability insurance the group intends to offer.
2. Loss experience of the proposed members.
3. Financial statements and projections.
4. Opinion by a qualified, independent casualty actuary.
5. Identification of management, which should include for each principal party of the group, a short biographical summary which contains as a minimum: name, address, business background, and insurance experience.
6. Such other matters as may be prescribed by the commissioner for liability insurance companies authorized by the insurance laws of the State of Utah.

FINANCIAL STATEMENT

A complete financial statement as submitted to the Risk Retention Group's state of domicile is to be filed with the Commissioner of Insurance of the State of Utah. A filing fee of **\$252.00** is required.

Requirements for Risk Retention Groups.

E-Commerce and Technology fee \$50.00 *

*Annual fee for use by Utah Insurance Department to develop e-commerce applications to facilitate electronic data interchange between the Department, its licensees, other regulatory agencies, and the public.

STATEMENT OF RELATED EXPOSURE

A signed statement by the principal officers of the company certifying that all member of the group have like or similar risk exposures.

CERTIFICATE OF COMPLIANCE

A certificate of compliance indicating that a risk retention group meets all requirements of a properly licensed insurance company and its state of domicile.

AUTHORIZATION TO APPOINT AND REMOVE AGENTS

For a Risk Retention Group to use the services of a producer, the producer must be duly appointed by a person designated to appoint and remove producers.

SUBMISSIONS THAT DO NOT COMPLY WITH THESE PROCEEDURES WILL BE CONSIDERED INCOMPLETE AND WILL BE RETURNED WITHOUT ACTION. REJECTED SUBMISSIONS THAT ARE RESUBMITTED ARE TREATED AS NEW AND NEW SUBMISSION FEES ARE REQUIRED.

Any questions please contact Linda Hardy at 801-538-3813 or lhady@utah.gov

Utah State Insurance Department
3110 State Office Building
Salt Lake City, Utah 84114

STATE OF UTAH
INSURANCE DEPARTMENT

RISK RETENTION GROUP DISCLOSURE STATEMENT

FEIN NUMBER _____ Original _____
Renewal _____

Name of Group _____

Street _____

City/State _____

Zip _____ Phone _____

State of Domicile _____ Date Admitted State of Domicile _____

Contact Person _____

Principal Place of Business _____

(CHECK ONE OR BOTH OF THE FOLLOWING):

Company will use surplus lines brokers _____ and/or appointed producers: _____

Types of Liability Coverages:

I (We), the principal officers of this Risk Retention Group, certify that the membership and ownership of this group are in compliance with the requirements set forth in Section 2(a)(4) of the Risk Retention Act of 1986.

(Name)

(Title)

(Name)

(Title)

STATE OF UTAH

APPLICATION FOR REGISTRATION AS A RISK RETENTION GROUP

1. List the corporate name of the Risk Retention Group.

(Name must include the phrase ("Risk Retention Group~) List any DBA's of the Risk Retention Group.

2. The primary activity of this Risk Retention Group consists of assuming and spreading all, or any portion, of the liability exposure of its members.
3. The Risk Retention Group is organized for the primary purpose of conducting the activity described under (2) above.
4. The Risk Retention Group is chartered and licensed as a liability insurance company under the laws of the State of _____ and is authorized to engage in the following lines of insurance under the laws of its chartering state:
5. The Risk Retention Group does not exclude any person from membership in the Group solely to provide for members of the Group a competitive advantage over such a person.
6. Ownership of the Risk Retention Group consists of one or the other of the following:
(check one)

_____ the owners of the Group are the only persons who comprise the membership of the Group and who are provided insurance by the Group:

_____ the sole owner of the Group is

(Give name and address of organization)

An organization whose members only comprise the membership of the Group, and whose owners are the only persons who comprise the membership of the Group and who are provided insurance by the Group.

7. The Risk Retention Group is composed of members who are engaged in the following described business or activities, which are similar or related with respect to the liability to which such members are exposed by virtue of related, similar, or common business, trade, product, services, premises or operation (Give general description of business or activities engaged in by Group members):

8. List the name, address and telephone number of each officer of the Risk Retention Group and the key officer or staff person (not an employee of the group's management company) responsible for overseeing "hands on management" of the group.
(Attach additional pages if necessary.)

- 8A. List the name, address, and telephone number of the company responsible for management of the insurance operations of this risk retention group.
(If none, answer none.)

- 8B. List the name, address, and telephone number of the principal agent or broker responsible for marketing the group's insurance policies. (If none, answer none)

9. The activities of the Risk Retention Group do not include the provision of insurance other than:
 - (a) Liability insurance for assuming and spreading all or a portion of the similar or related liability exposure of its Group members; and
 - (b) Reinsurance with respect to the similar or related liability exposure of another Risk Retention Group (or a member of such other Risk Retention Group) engaged in businesses or activities which qualify such other Risk Retention Group (or member under item (6) above for membership in this Group.

10. The Risk Retention Group will comply with the unfair claim settlement practices law of this state.
11. The Risk Retention Group will pay, on a non-discriminatory basis, applicable premium and other taxes which are levied on such Group under the laws of this State.
12. The Risk Retention Group has designated the Insurance Commissioner of this State to be its agent solely for the purpose of receiving the service of legal documents or process.
13. The Risk Retention Group will submit to examination by the Insurance Commissioner to determine the Group's financial condition, if:
 - (a) the Insurance Commissioner of the Group's chartering State has not begun or has refused to initiate an examination of the Group; and
 - (b) any such examination by the Insurance Commissioner is coordinated so as to avoid unjustified duplication and unjustified repetition.
14. The Risk Retention Group will comply with the lawful order issued in a delinquency proceeding commenced by the Insurance Commissioner upon a finding of financial impairment, or in a voluntary dissolution proceeding.
15. The Risk Retention Group will comply with the laws of this State concerning deceptive, false or fraudulent acts or practices, including any injunctions regarding such conduct obtained from a court of competent jurisdiction.
16. The Risk Retention Group will comply with an injunction issued by a court of competent jurisdiction upon petition by the Insurance Commissioner alleging that the Group is in hazardous financial condition or is financially impaired.
17. The Risk Retention Group will provide the following notice, in 10-point type, in any insurance policy issued by the Group:

"NOTICE

This policy is issued by your Risk Retention Group. Your Risk Retention Group may not be subject to all of the insurance laws and regulations of your State. State insurance insolvency guaranty funds are not available for your Risk Retention Group."

18. The Risk Retention Group has submitted to the Insurance Commissioner, as part of this application and before it has offered any insurance in this State, a copy of the plan of operation or feasibility study which it has filed with the Insurance Commissioner (Director, Superintendent) of its chartering State. This plan or study discloses the name of the State in which the Group is chartered, as well as the Group's principal place of business, and such plan or study further includes the coverages, deductibles, coverage limits, rates, and rating classification systems for each line of insurance the Group intends to offer. The Group will promptly submit to the Insurance Commissioner any revisions of such plan or study to reflect any changes to the plan including, but without limitation, additional lines of liability insurance which the Group intends to offer, and any change in the designation of the Group's chartering state.
19. The Risk Retention Group will submit its annual financial statement to the Insurance Commissioner by March 1 of each year. The annual financial statement will be certified by an independent accountant and include a statement of opinion on loss and loss adjustment expense reserves made by a member of the American Academy of Actuaries or a qualified loss reserve specialist.
20. The Risk Retention Group will not solicit or sell insurance to any person in this State who is not eligible for membership in the Group.
21. The Risk Retention Group will not solicit or sell insurance in this State, otherwise operate in this State, if the Group is financially impaired or is in a hazardous financial condition.

We do hereby swear and affirm that the aforementioned statements and information are true and correct.

President or Chief Executive Officer:

Secretary: _____

Sworn before me this _____ day of
_____, 20____.

Notary Public, State of: _____
My Commission Expires:

**UTAH INSURANCE DEPARTMENT
AUTHORIZATION TO APPOINT AND REMOVE PRODUCERS**

This is to certify _____ company _____
Utah certificate number _____ domiciled in _____
has appointed and authorized the following to represent said company with full owner and
authority to appoint and remove all local, special, or soliciting producers for said company in the
State of Utah;

- | | | | | |
|----|--------------|-----------|------|-------|
| 1. | | | | |
| | Name (Print) | Signature | City | State |
| 2. | | | | |
| | Name (Print) | Signature | City | State |
| 3. | | | | |
| | Name (Print) | Signature | City | State |

In witness, we set our hands and official seal at the city of the State of _____
The State of _____ this _____ day of _____, 20____

Secretary

President

Instructions: Each new filing updates previous filing and all persons authorized are required to be listed on the form. No more than three persons may be authorized at one time. Please state name of company identical to name on our records. Enclose a self-addressed, stamped envelope for return of an approved copy.

APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE

The _____
a risk retention group (called the Group) duly organized wider the laws of the State of _____
_____ appoints the Insurance Commissioner of the State of Utah, and his successors
in office, to be its lawful attorney upon whom all legal process in any action or receding against it shall be
served, and further agrees that any lawful process against it which is served upon this attorney shall have
the same legal validity as if served personally upon the Group.

The Group gives the Insurance Commissioner, and his successors, full authority to do every act
necessary to be done under this appointment as fully as the Group could do if personally present, and
ratifies all that lawfully do under the power granted by this appointment. This authority may be
withdrawn only upon a written notice of revocation and in any case shall continue in effect so
long as any liability arising out of this appointment remains outstanding in compliance with
Section 3(a)(1)(D) of the Liability Risk Retention Act of 1986.

The Group designates _____ whose address is _____
_____, as the person to whom process against the Group
served upon the Commissioner shall be forwarded.

IN WITNESS OF THIS APPOINTMENT, the Group, pursuant to a resolution duly
adopted by its Board of Directors, has caused this instrument to be executed in its name by its
President and Secretary, and its corporate seal to be affixed at the city of _____, State
of _____, this _____ day of _____ 20

Attest:

Secretary

Name of the Risk Retention Group

By President
